MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2021/2022

DFA5054 – FINANCIAL ACCOUNTING

(All sections/Groups)

8 AUGUST 2022
09.00 a.m. - 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 7 pages excluding cover page with 4 questions only.
2. Answer **ALL** questions.
3. Please write your answers in the Answer Booklet provided.

QUESTION 1

PART A

Laila started her own cleaning company, C-Clean Company, on 1 April 2021. The transactions below occurred during April.

No	Transactions
Example	Laila invested RM70,000 cash in the business.
1	Paid RM1,200 for office rent for the month.
2	Purchased equipment for RM9,000 on account.
3	Performed cleaning service for a customer worth RM4,000: RM2,200 cash is received from the customer and the balance of RM1,800 is billed to customer.
4	Paid RM3,000 for employee salaries.
5	Withdrew RM500 cash for personal use.
6	Paid RM1,000 for utilities for the month.
7	Received RM5,000 cash for services performed.
8	Borrowed RM12,000 from BCB Bank on a note payable.
9	Received the balance amount from customer who have previously been billed in transaction No 3.

Required

(a) For each of the transaction above, describe the effect of each transaction on assets, liabilities and owner's equity account.

Note: You may prepare your answer based on the following format.
Example : Asset (Cash) increase; Owner's Equity (Owner's Capital) increase

(9.5 marks)

(b) What is an asset and liabilities? (2 marks)

Continued...

PART B

The bank statement of Bynda Company as at 31 October 2021 has just arrived from Durbin First Bank. Thalia, the senior accountant in Bynda Company is responsible to prepare the bank reconciliation for the company. She has gathered the following data:

a. The company's cash account shows a balance of RM17,320 as at 31 October.
b. The balance as per the bank statement as at 31 October is RM14,525.
c. Deposit in transit at 31 October is RM5,230.
d. Outstanding cheque at 31 October is RM3,200.
e. The bank mistakenly recorded a deposit of RM2,800 as RM280 on 15 October.
f. The bank statement includes RM3,000 note collected by the bank, plus interest RM40, less fee RM5. The collection has not been recorded by the company, and no interest has been accrued.
g. A customer's cheque for RM700 was returned due to not sufficient funds.
h. Jenny, the new accountant in Bynda Company made the following error:
   - Cheque No 113 for Salaries Expense written for RM1,430 recorded as RM1,400.
   - Cheque No 118 issued to Tan Trading, a creditor for RM500 that was cleared by the bank in October was incorrectly entered as cash payment for RM50.
i. The bank service charge on October was RM100.

Required

Assume you are Thalia,

(a) Prepare bank reconciliation as at 31 October 2021. (7.5 marks)

(b) Prepare the journal entries as at 31 October 2021 of Bynda Company. (6 marks)

(Total: 25 marks)

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QUESTION 2

PART A

During the first month of operations in January 2021, James Aircond Service completed the following transactions:

Jan 1	James invested RM75,000 cash into his business.
2	James hired three employees to begin work on 3 January.
3	Purchased supplies RM7,000 by cash.
5	Performed service for a customer and received cash, RM9,500.
10	Purchased equipment for RM9,900. James paid cash of RM3,000 and agreed to pay the balance amount within 2 months.
13	Issued an invoice of RM8,550 to a customer for aircond cleaning services.
17	Paid the outstanding balance for purchase made on 10 January.
18	Purchased new furniture and fittings costing RM11,600, paying a quarter by cash and the remainder on account.
19	James withdrew RM2,500 cash for his personal use.
21	Paid RM3,000 for rent, RM1,500 for advertising, and RM300 for utilities for the month.
24	Received RM8,550 from customers billed on 13 January.
27	Paid RM4,000 for the furniture and fittings purchased on 18 January.
28	Performed aircond service for a customer on account, RM6,750.
29	Paid employee's salaries RM6,000 by cash.

Required

(a) Journalise the above transactions. (15 marks)

(b) Prepare the ledger for selected accounts below:

(i) James, Capital Account
(ii) Account Payable Account
(iii) Furniture & Fittings Account

(2.5 marks)

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PART B

On 1 March 2021, Julia started a Julia Dental Clinic by investing RM50,000 cash in the business. The following list shows the account balance for the company as at 31 March 2021. Julia made no further investment during the month.

Account Title	RM
Account receivable	5,000
Dental supplies	12,600
Machine equipment	41,000
Furniture and fittings	16,400
Cash	15,500
Rent expense	5,000
Maintenance and repair expense	4,500
Salaries expense	8,000
Service revenue	35,000
Supplies expense	7,000
Account payable	10,000
Notes payable	20,000

Required

Prepare the following financial statements for March 2021:

(a) Statement of Profit or Loss
(b) Statement of Changes in Owner's Equity
(c) Statement of Financial Position

(7.5 marks)

(Total: 25 marks)

Continued...

QUESTION 3

The schedule presents the trial balance for EE Financial Planners at the end of the year 2021.

EE Financial Planners
Trial Balance as at 31 December 2021

	Debit (RM)	Credit (RM)
Cash	38,300	
Accounts Receivable	15,200	
Office Supplies	500	
Prepaid Rent	700	
Prepaid Insurance	800	
Office Equipment	7,000	
Accumulated Depreciation – Office Equipment		350
Accounts Payable		4,200
Unearned Consultation Service Revenue		900
Ee, Capital		10,550
Ee, Drawings	8,000	
Consultation Service Revenue		81,600
Salaries Expense	23,500	
Rent Expense	2,000	
Utilities Expense	1,600	
	RM97,600	**RM97,600**

The following information below is available to assist in the preparation of adjusting entries:

1. A count of office supplies on 31 December 2021 indicates that supplies of RM225 are on hand.
2. Prepaid insurance consists of a 2-year insurance policy, effective 1 July 2021.
3. Depreciation on office equipment for the year 2021 is RM700.
4. Salaries are accrued and unpaid of RM500 on 31 December 2021.
5. Accrued utility expenses amounted to RM350 on 31 December 2021.
6. One-third of the unearned consultation fees have been earned by 31 December 2021.

Required:

(a) Prepare the necessary adjusting entries for the year 2021. (6 marks)

(b) Based on the additional information provided, prepare the Adjusted Trial Balance for EE Financial Planners as at 31 December 2021. (7 marks)

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(c) Assuming EE Financial Planners closes its accounts every year at end of December, prepare the closing entries. (7 marks)

(d) Prepare the Post-Closing Trial Balance as at 31 December 2021. (5 marks)

(Total: 25 marks)

QUESTION 4

PART A

The comparative condensed Statement of Financial Position of Izeara Resources Bhd are presented below:

Izeara Resources Bhd
Condensed Statements of Financial Position
as at 31 December

	2021 RM	2020 RM
Assets		
Plant, property and equipment (net)	298,700	256,500
Current assets	560,500	494,300
Total assets	RM859,200	RM750,800
Owner's Equity and Liabilities		
Owner's equity		
Owner's capital	422,800	332,500
Liabilities		
Non-current liabilities	210,400	192,300
Current liabilities	226,000	226,000
Total liabilities	436,400	418,300
Total equity and liabilities	RM859,200	RM750,800

Required:

(a) Prepare a schedule showing a horizontal analysis for Izeara Resources Bhd using 2020 as the base year. Write your answer in two decimal places.

(7.5 marks)

Continued...

(b) Prepare a schedule showing a vertical analysis for Izeara Resources Bhd for 2021. Write your answer in two decimal places.

(5 marks)

PART B

Jenn Kitchen Sdn. Bhd. sells aluminum kitchen cabinets. The most popular product of this company is the 4G kitchen cabinet. At the beginning of September, the ledger of Jenn Kitchen Sdn. Bhd. showed cash of RM20,000 and capital of RM46,500. During the month of September, the following merchandising transactions occurred.

September 1	Purchased 15 kitchen cabinets on account for RM4,300 each from Daiki Manufacturing, FOB destination, terms 2/10, n/30.
3	Sold 3 kitchen cabinets on account to Rossa Enterprise for RM5,100 each, term 1/10, n/30.
4	Received credit for one kitchen cabinet returned to Daiki Manufacturing.
6	Received payment in full from Rossa Enterprise billed on September 3.
9	Paid Daiki Manufacturing in full, less discount.
19	Sold 10 kitchen cabinets on account to Papasab Crew for RM5,000 each, term 2/10, n/30.
23	Granted an allowance of RM1,000 to Papasab Crew for merchandise purchased that have minor defect.
29	Received payment in full from Papasab Crew.
30	Purchased 3 kitchen cabinets on cash term for RM3,600.

Required

Journalise the September transactions using perpetual inventory system. (12.5 marks)

(Total: 25 marks)

End of Paper